

Message Text

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ACTION XMB-04

INFO OCT-01 AF-10 ISO-00 AID-05 CIAE-00 COME-00 EB-07
FRB-01 INR-07 NSAE-00 USIA-15 TRSE-00 OPIC-06
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P106
RR RUEHC
DE RUFHLC #1223 1401306
ZNR UUUUU ZZH
R 201302Z MAY 77
FM AMEMBASSY LIBREVILLE
TO SECSTATE WASHDC 9352

UNCLAS LIBREVILLE 1223

DEPT PASS EXIMBANK

E.O. 11652: NA
TAGS: EFIN EGEN EARI GB
SUBJECT: EXIMBANK CREDIT FOR AIR GABON

1. EMBASSY UNDERSTANDS FROM CITIBANK LIBREVILLE THAT GOG
TELEXED EXIMBANK ON SATURDAY, MAY 14, RE TERMS OF CREDIT
AGREEMENT FOR BOEING AIRCRAFT PURCHASED BY AIR GABON.
TEXT OF GOG TELEX MESSAGE FOLLOWS.

2. BEGIN TEXT QUOTE/ EXPORT IMPORT BANK OF THE UNITED
STATE 811 VERMONT AVENUE, WASHINGTON DC 20571, TELEX
EXIMBANK 89-461- RE: AIR GABON. ATTENTION DAVID O BEIM,
EXECUTIVE VICE PRESIDENT. WE REFER TO YOUR LETTER OF
APRIL 20, 1977 ADVISING US OF EXIMBANKS PRELIMINARY
COMMITMENT NO 77-0-3940 RELATING TO THE FINANCING OF
ONE BOEING 747-200 B-COMBI AND ONE 737-200C JET AIRCRAFT
TO BE PURCHASED BY THE GABONESE REPUBLIC FOR ACCOUNT OF AIR
GABON STOP. WE TAKE THIS OPPORTUNITY TO EXPRESS OUR
MOST SINCERE APPRECIATION FOR YOUR FAVORABLE
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CONSIDERATION OF AND RESPONSE TO OUR REQUEST STOP.
YOU HAVE SPECIFIED THAT EXIMBANKS ASSISTANCE WILL TAKE THE
FORM OF A COMPREHENSIVE GUARANTEE OF FINANCING OF UP TO
30 PERCENT OF THE US COST OR DLRS 20,592,000,
WHICHEVER IS LESS, WITH THE REMAINDER OR 70 PERCENT
TO BE PRIVATELY FINANCED STOP. TOTAL FINANCING WILL
COVER APPROXIMATELY 11 YEARS (INC 1 YEARS GRACE)

WITH THE PRIVATE UNGUARANTEED PORTION OF THE FINANCING
REPAYABLE FROM THE FIRST TWELVE AND A PORTION OF THE
THIRTEENTH INSTALLMENTS, BEGINNING AS OF JUNE 8, 1978
FOR THE B-737 AND DECEMBER 8, 1978, FOR THE B-747 STOP.
IN THE COURSE OF DISCUSSIONS WITH OUR BANKERS CONCERNING
THE SYNDICATION OF THE PRIVATE UNGUARANTEED PORTION OF
THE FINANCING, THEY WERE OF THE STRONG OPINION THAT
THEIR EFFORTS SUCCESSFULLY TO ORGANIZE SUCH A SYNDICATE
WOULD BE HIGHLY DEPENDENT OF FACT THAT DUE TO
DUE TENOR NOT EXCEED 7 YEARS STOP. AS PRESENTLY
STRUCTURED, HOWEVER, THE FINAL MATURITY OF DECEMBER
1984 ON THE B-747 TRANSLATES TO A TENOR OF A LITTLE
OVER 7 YEARS SINCE THE GRACE PERIOD OF ONE YEAR STARTS
AS OF THE DATE OF FINAL AUTHORIZATION BY EXIMBANK WHICH
WILL UNDOUBTEDLY BE BEFORE DECEMBER 1977 STOP. ACCORDING
TO OUR BANKERS THE MARKET HAS A TRADITIONAL BUILT IN
PRACTICE OF ADHERING TO THE 7 YEAR WATERMARK FOR PRIVATE
COMMERCIAL LENDING STOP. WE THEREFORE HEREBY FORMALLY
REQUEST YOU TO marginally INCREASE THE SCOPE OF YOUR
GUARANTEE FROM 30 TO 33.23 PERCENT SO AS TO INCLUDE THE
DECEMBER 1984 MATURITY WITHIN THE SCOPE OF THE GUARANTEED
PORTION OF THE FINANCING STOP.
WE HEREBY CONFIRM THAT BY THE TIME THE LOAN AGREEMENT IS
FINALIZED WE WILL HAVE MADE FULL ARRANGEMENTS FOR
CAPITALIZING THE NEW COMPANY WITH AN AMOUNT NOT LESS
THAN DOLS 10,296,000 BEING 15 PERCENT OF THE TOTAL FINANCING
AND IN ALL PROBABILITY THE FINAL CAPITAL FIGURE WILL BE
SUBSTANTIALLY HIGHER THAN THE MINIMUM THAT YOU HAVE INDICATED.
WE TRUST THAT THERE WILL BE NO DOUBT IN YOURS MINDS
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AS TO THE COMMITMENT OF THE REPUBLIC OF GABON TO THE
SUCCESSFUL ESTABLISHMENT, MAINTENANCE AND PROFITABILITY
OF AIR GABON STOP.

WE TRUST THAT YOU WILL GIVE FAVORABLE CONSIDERATION
TO OUR POSITION AND LOOK FORWARD TO YOUR EARLY
RESPONSE. SINCERELY, JEROME OKINDA, MINISTER OF
STATE, MINISTER OF ECONOMY, FINANCE AND PARTICIPATIONS
ECOFIN 5238GO. UNQUOTE END TEXT.

3. APPRECIATE YOUR CONFIRMING TO EMBASSY RECEIPT OF
TELEX. STEIGMAN

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
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Control Number: n/a
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Sent Date: 20-May-1977 12:00:00 am
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Decaption Note:
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Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Source: CORE
Document Unique ID: 00
Drafter: n/a
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Executive Order: N/A
Errors: N/A
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Review Withdrawn Fields: n/a
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vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/602a408f-c288-dd11-92da-001cc4696bcc
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